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*Sent by email to:*  
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Dear Heat Networks Regulation team

**Re: Heat networks regulation authorisation conditions**

On behalf of SSE Heat Networks, I welcome the opportunity to respond to the Ofgem consultation on heat networks regulations authorisation conditions.

As a heat network operator, SSE Energy Solutions is strongly committed to the success of the UK's heat network sector. We support the introduction of a robust regulatory framework and share Ofgem's ambition to raise standards, build trust, and deliver fair outcomes for consumers.

To achieve these goals, it is essential that consumer protection is implemented in a way that also ensures the long-term sustainability of the sector. For the framework to be truly successful, it must be proportionate, reflect the unique characteristics of heat networks, and provide the regulatory stability needed to unlock confident investment and drive sustainable growth.

We appreciate this opportunity to provide feedback on the final drafting of the Authorisation Conditions. While we support the overall direction, we wish to highlight several areas where we believe the current drafting could be improved to better align with Ofgem's stated goals of creating a tough but proportionate regulation that is balanced and achievable for networks.<sup>1</sup>

**Key areas for consideration**

Based on our analysis, we have identified several points where the prescriptive nature of the drafting may lead to unintended consumer detriment, operational inefficiencies, or missed opportunities for more flexible, outcome-focused compliance. We have focused our feedback on areas where similar or potentially better customer outcomes can be achieved with a more proportionate approach.

- **Social Housing Termination: Preventing tenant hardship through a managed process**  
A strict 30-day termination process presents a significant consumer protection risk in socially rented properties. It bypasses the Housing Association, which is often the funder of the heating system and a

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<sup>1</sup> Page 4, forward by Jonathan Brearley, Ofgem CEO [Heat networks regulation - implementing consumer protections: consultation document](#)

primary source of tenant support. A strict application could leave a vulnerable tenant without heating, unaware they are breaching their tenancy, and cut-off from the support (e.g. affordability checks, debt advice) that could resolve the issue without termination. To address this, we ask that the authorisation conditions be updated to require mandatory landlord notification within the 30-day window. This would help ensure that tenants receive the necessary support and information, facilitating a safe, informed, and supported outcome rather than abrupt termination.

- **Billing Information: Achieving transparency without disproportionate cost**

We are requesting that Ofgem revises the condition which mandates suppliers to provide a comparison of consumption for the same period in the previous year on every bill. This obligation requires suppliers to retrieve and present historical billing data for all customers, which imposes significant costs and often results in information that is contextless and of limited value. A more flexible and proportionate approach would be to ensure historical data is easily accessible rather than mandating its inclusion on every bill. For example, clear signposting to online accounts where full historical data is available, alongside direct channels for customers to discuss their usage and receive tips for reducing bills. This is a practical solution, as around 70% of our customers already have access to historic consumption data online, and this number is expected to grow. Overall, we view that billing requirements should prioritise consumer outcomes rather than rigid prescription, delivering the same level of transparency in a way that avoids unnecessary complexity and cost. Ultimately, the core purpose of a bill is to provide customers with clear, understandable information about their energy costs and how those costs are calculated.

- **Prepayment meter consent: Enabling positive customer journeys for those seeking help**

Based on our interpretation of the prepayment authorisation conditions, we are requesting that Ofgem revises the requirement for written (“explicit”) consent when a customer either proactively requests a prepayment meter or agrees to one following a supplier’s recommendation as a budgeting tool. In these cases, recorded verbal consent should be accepted as sufficient evidence of agreement. This would remove unnecessary barriers and delays for customers seeking to manage debt or budget more effectively and would align the process with established practice in other regulated sectors. We also recommend reviewing the overall drafting of this condition to improve clarity. The current drafting is difficult to follow and could lead to incorrect application, risking exposure for both consumers and operators.

- **Vulnerable customer support: Ensuring practical debt solutions**

The removal of the mandatory option for customers in payment difficulty to pay their bills through managed deductions from their benefits, considerably weakens the ability to support customers who are struggling to pay their bills. The mechanism is well established in the energy market, and it provides a practical solution for debt repayment while maintaining heat supply. Its omission from the framework, removes a crucial tool for protecting at-risk customers. We strongly advocate for its inclusion to ensure pragmatic and workable outcomes for customer facing payment challenges.

- **Scope of Fair Pricing protections: Prioritise domestic customers**

We oppose extending the fair pricing framework to larger non-domestic customers, as they are commercially experienced and well-equipped to negotiate. Including them would divert focus and resources from domestic customers, where protection is most needed. We recognise there may be merit in covering micro-businesses and SMEs, given their size and limited resources, but the priority must remain on domestic customers. For larger non-domestic customers, the better approach is to keep the situation under review while regulations embed, ensuring monitoring is in place so protections reach those who need them most.

- **Bulk Supply Agreement: Applying protections where they are effective**

We recognise the intent to protect end-consumers from disconnection. However, applying disconnection bans directly to bulk suppliers is an ineffective and impractical way to achieve this. A bulk supplier has no relationship with or knowledge of the end-consumers, making it impossible to apply vulnerability rules. Therefore, this approach targets the wrong party. If an end-supplier fails financially, the risk to consumers stems from their failure, not the bulk suppliers. A more robust solution is to focus regulation on ensuring the financial resilience of the end-supplier, preventing failure at source, rather than creating unworkable obligation for bulk suppliers that mask the underlying risk.

We hope you find our feedback constructive. We are confident that addressing these points will strengthen the regulatory framework, ensuring they are both protective of customers and practical for operators to implement effectively.

Finally, we believe it is crucial for Ofgem to commit to keeping the framework under active review post-implementation. Introducing this scale of regulation to a new sector is likely to encounter some initial implementation challenges and unforeseen complexities. We would strongly support the establishment of formal industry working groups to share experiences, identify unintended consequences, and enable swift, collaborative resolution of emerging challenges.

We are happy to discuss any of the points raised in our response.

Yours sincerely,

**Brian Clark**  
Regulation Manager